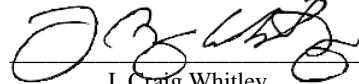




FILED & JUDGMENT ENTERED Steven T. Salata
October 19 2022
Clerk, U.S. Bankruptcy Court Western District of North Carolina


J. Craig Whitley
United States Bankruptcy Judge

**UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF NORTH CAROLINA
CHARLOTTE DIVISION**

In re:

Power Home Solar, LLC¹
Debtor.

Chapter 7
Case No. 22-50228

**STIPULATION AND AGREED ORDER
AUTHORIZING LIMITED USE OF CASH COLLATERAL**

This Stipulation is made by and between (a) JPMorgan Chase Bank, N.A (“JPMorgan”), solely in its capacity as administrative agent under the Credit Agreement (as defined below), and (b) Jimmy R. Summerlin, Jr., solely in his capacity as chapter 7 trustee (the “Trustee” and, together with JPMorgan, the “Parties”) of Power Home Solar, LLC (the “Debtor”). As indicated by the signatures of each of their respective undersigned counsel, the Parties agree, and stipulate, as follows:

RECITALS

A. On October 7, 2022 (the “Petition Date”), the Debtor commenced the above-captioned proceedings by filing a voluntary petition under chapter 7 of title 11 of the United States Code.

¹ The last four digits of the Debtor’s taxpayer identification number are 9854. The Debtor’s address is: 919 N. Main St., Mooresville, North Carolina 28115.

B. Prior to the Petition Date, Debtor was party to that certain Credit Agreement, dated as of November 23, 2021 (the “Credit Agreement”), by and among the Debtor, certain participating lenders (collectively, the “Lenders”), and JPMorgan, as administrative agent. Pursuant to the Credit Agreement, the Debtor obtained access to several lines of credit in the aggregate amount of approximately \$80,000,000.

C. In connection with the Credit Agreement, the Debtor executed the Pledge Agreement and the Pledge and Security Agreement dated November 23, 2021 (together, the “Security Agreements”), in JPMorgan’s favor in its capacity as administrative agent under the Credit Agreement. JPMorgan asserts that pursuant to the Security Agreements, the Debtor granted JPMorgan a first-lien security interest in substantially all of its assets (the “Collateral”), securing the Debtor’s obligations under the Credit Agreement. JPMorgan asserts it perfected its lien on the Collateral by filing financing statements as required by applicable law.

D. As of the Petition Date, the Debtor had borrowed, including accrued interest, approximately \$83,106,134.87 under its various lending arrangements with the Lenders (the “Secured Claim”).

E. The Collateral includes cash maintained in certain bank accounts with JPMorgan (the “Bank Accounts”), and which are subject to an administrative block, implemented under a Blocked Account Control Agreement between Debtor and JPMorgan, as administrative agent under the Credit Agreement, dated as of January 12, 2022.

F. As of the Petition Date, Debtor had approximately \$135,997.04 (the “Cash Collateral”) in such Bank Accounts.

G. As of the date hereof, the Trustee has not had an opportunity to evaluate JPMorgan’s assertions with respect to the Secured Claim and the supporting documentation.

H. As of the date hereof, the Trustee is in need of additional funds in order to properly stabilize the Debtor's estate on an emergency basis, evaluate assets and liabilities thereof, and determine the proper strategy in liquidating the Debtor's affairs.

I. The Parties have engaged in discussions regarding the Trustee's need for access to emergency funding and believe it is appropriate for JPMorgan to release certain Cash Collateral on an emergency basis.

STIPULATION

NOW, THEREFORE, it is hereby stipulated and agreed by and among the Parties, as follows:

1. JPMorgan grants the Trustee emergency access to utilize the Cash Collateral in an amount not to exceed \$135,997.04, with an initial advance as reflected on the "Budget" attached as Exhibit 1 (such amount, the "Advance").

2. To the extent any additional Advance is required (such advance, an "Additional Advance"), the Trustee and JPMorgan will jointly file a notice including an updated Budget reflecting the need for any Additional Advance.

3. Nothing herein shall be deemed a waiver of any rights of the Trustee to evaluate and object to any proofs of claim, security interests, or purported liens, and the Trustee hereby reserves all rights with respect thereto.

4. The Trustee, with approval of the Court, grants JPMorgan a replacement lien on the proceeds of the Collateral (e.g., collection of accounts receivable) on any unencumbered assets up to the amount of the Advance (and any subsequent Additional Advance) as adequate protection for the use of such Cash Collateral.

5. In the event the Trustee requires an Additional Advance, the Parties shall file a supplement to this Stipulation attaching a revised Budget reflecting such amounts.

Dated: October 17, 2022.

Agreed and Stipulated to By:

/s/ A. Lee Hogewood III

A. Lee Hogewood III
North Carolina State Bar No. 17451
K&L Gates LLP
4350 Lassiter at North Hills Avenue, Suite 300
Raleigh, North Carolina 27609
Telephone: (919) 743-7306
Facsimile: (919) 516-2006
E-mail: a.lee.hogewoodIII@klgates.com

COUNSEL TO JPMORGAN CHASE, N.A.

-and-

/s/ Jimmy R. Summerlin, Jr.

Jimmy R. Summerlin, Jr.
North Carolina State Bar No. 31819
Young Morphis Bach and Taylor LLP
858 2nd Street NE, Suite 200
Hickory, North Carolina 28603
Telephone: (828) 322-4663
Facsimile: (828) 324-2431
Email: jimmys@hickorylaw.com

CHAPTER 7 TRUSTEE

This Order has been signed electronically. The judge's signature and court's seal appear at the top of the Order.

United States Bankruptcy Court

Exhibit 1

Budget (Through November 7, 2022)

<u>Expense Type</u>	<u>Expense Amount</u>	<u>Notes</u>
Payroll	\$40,000	Includes five former employees of the Debtor of varying pay rates, between \$1,538 and \$2,500 per week
Utility Bills	\$724.72	Dominion Energy – Disconnect as of 10/19 Maintain gas utility service at Corporate Office (919 N. Main St., Mooresville, NC)
Utility Bills	\$3,760.61	Duke Energy – Due 11/1 Maintain electrical utility service at Corporate Office (919 N. Main St., Mooresville, NC)
Utility Bills	\$604.56	Spectrum – Maintain internet service at Corporate Office (919 N. Main St., Mooresville, NC)
Utility Bills	\$323.48	Town of Mooresville – Maintain water/sewer service at Corporate Office (919 N. Main St., Mooresville, NC)
<u>TOTAL:</u>	<u>\$45,413.37</u>	–